



# Detroit Water and Sewerage Department

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## Legislation Text

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**File #:** 19-00232, **Version:** 1

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment No. 5 to add \$375,110 and extend the term for a period of five months to the City of Detroit Contract No. 2850143 for the continued purchase of diesel and unleaded Fuel for DWSD through Waterfront Petroleum Company**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### **Agenda of September 18, 2019**

**Item No.: 19-00232**

**City of Detroit Contract No.: 2850143**

**Vendor: Waterfront Petroleum Terminal Company, 5431 W. Jefferson, Detroit, MI 48209**

**Proposed Amendment Amount for DWSD: \$375,110**

**Proposed Contract Extension: 8/01/2019 - 12/31/2019 (5 months)**

**TO:** The Honorable  
Board of Water Commissioners  
City of Detroit, Michigan

**FROM:** Gary Brown, Director  
Water and Sewerage Department

**RE: Proposed Amendment No. 5 to City of Detroit Contract No. 2850143  
Unleaded and Diesel Fuel**

### **MOTION**

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Amendment No. 5 to add \$375,110 and extend the term for a period of five months to the City of Detroit Contract No. 2850143 for the continued purchase of diesel and unleaded Fuel for DWSD through Waterfront Petroleum Company**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

DWSD has been part of the City wide Contract No. 2850143 since 2011 for the purchase of diesel and unleaded

fuel for operational use. Maintaining an inventory of both diesel and unleaded fuel is essential in supporting the daily operations of DWSD. Fuel is purchased under the same pricing, terms and conditions provided in the City contract.

## **JUSTIFICATION**

City of Detroit's Office of Contracting and Procurement (OCP) has been in the process of competitively soliciting for a new City wide fuel contract. At this time, OCP is in the vendor selection phase and DWSD's specifications, volumes, locations, etc. are part of this new solicitation.

Since the new fuel contract is not in place yet, Detroit City Council recently approved Amendment No. 5 to extend the term of the City's fuel contract and to add funds to cover the extended period to ensure all City operations continue to have fuel until the new contract is in place. Amendment No. 5 was approved by City Council on July 23, 2019.

To ensure compliance to the DWSD Procurement Policy, DWSD is requesting BOWC authorization to add \$375,110 dollars to the total contract amount for the extended term in order to allow DWSD's continued use of the City's existing contract until a new contract is put in place.

## **PROCUREMENT METHOD**

The City of Detroit competitively solicited for the purchase of fuel under the existing contract. The new Request For Proposals (RFP) for fuel was posted on BidSync by OCP on April 10, 2019 and closed on April 30, 2019. DWSD will present the new shared fuel contract for approval to the BOWC once the awarded Proposer has been confirmed.

## **DETAILS**

A.	Contract No.:	2850143
B.	Contractor:	Waterfront Petroleum Terminal Company
C.	Original Contract Term (Amendment 4):	9/15/11 - 7/31/19
D.	Proposed Extension:	8/1/19 - 12/31/19 (5 months)
E.	Original DWSD Authorized Amount:	\$1,715,425
F.	Proposed DWSD Amendment Amount:	\$375,110
G.	Funding Source:	O&M Funds
H.	GL Strings:	
		720-20276-487631-624116-001688-10732-0000-00000 (1000%)

Proposed Amendment No. 5 for Contract No. 2850143 was presented to the BOWC Finance Committee on September 4, 2019. Detroit City Council approved this contract for the City of Detroit on July 23, 2019 and was also presented to the Mayor per post-FRC review requirements.